

BILL ANALYSIS

S.B. 1151
By: Hinojosa
Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Interested parties note that there is currently some ambiguity with respect to the sales tax treatment of certain snack items, such as what kinds and sizes of snacks are taxable. S.B. 1151 seeks to eliminate this ambiguity.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

S.B. 1151 amends the Tax Code to include snack items among the food products that are exempt from sales tax. The bill specifies that, for purposes of this exemption, snack items include breakfast bars, granola bars, nutrition bars, sports bars, protein bars, or yogurt bars, unless labeled and marketed as candy; snack mix or trail mix; nuts, unless candy-coated; popcorn; and chips, crackers, or hard pretzels. The bill makes the exemption inapplicable to a snack item sold through a vending machine or sold in individual-sized portions, meaning a portion that is labeled as having not more than one serving or that contains less than 2.5 ounces, if the package does not specify the number of servings.

EFFECTIVE DATE

September 1, 2013.